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Edinburgh

1874

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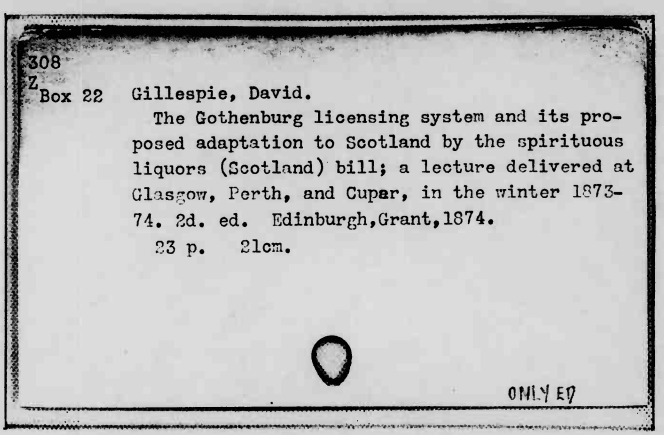

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THE

GOTHENBURG LICENSING SYSTEM,

AND ITS

PROPOSED ADAPTATION TO SCOTLAND,

BY THE

SPIRITUOUS LIQUORS (SCOTLAND) BILL:

A LECTURE

BY

DAVID GILLESPIE, ADVOCATE,

Delivered at Glasgow, Perth, and Cupar, in the Winter 1873-74.

SECOND EDITION.

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R. GRANT & SON, 107 PRINCES STREET.
LONDON: SIMPKIN, MARSHALL, & CO.
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PREFACE TO SECOND EDITION.

THE Lecture, as delivered, contained an account of the Spirituous Liquors (Scotland) Bill, brought in by Sir Robert Anstruther and others at the close of last Session. The Bill, as brought in this Session, has been largely modified, and a short explanation of the leading provisions, as it now stands, has been substituted.

The Second Reading of the Bill has been fixed for the 20th of this month.

1st MAY 1874.

Mch. 21, 1916 - 13.03

THE GOTHENBURG LICENSING SYSTEM,

AND ITS

PROPOSED ADAPTATION TO SCOTLAND.

PART I.

TO dilate upon the evils produced by drinking is quite unnecessary. Few persons in this country, and certainly none here present, will be disposed to deny what has been so well expressed by Mr Bright:—"If we could substract from the ignorance, the poverty, the suffering, "the sickness, and the crime which are now witnessed amongst us—"the ignorance, the poverty, the suffering, the sickness, and the crime "which are caused by one single but most prevalent habit or vice of "drinking needlessly, which destroys the body and mind, and home "and family,—do we not all feel that this country would be so changed "—and changed for the better—that it would be almost impossible for "us to know it again?"

Diminution of drunkenness by legislative reform difficult but not impossible.

There are many ways in which it has been attempted to combat this evil. Every movement—religious, moral, social, sanitary—which elevates the community, tends powerfully, though indirectly, to diminish drunkenness. There are, however, but two direct modes of attack—moral suasion and legislation. The first is arduous, but free from embarrassment. So far as such influences reach, no way of suppressing drunkenness has been found so effectual as to induce persons voluntarily to abstain from what is at best a mere luxury, and too often a dangerous temptation. But, great as has been the success of Temperance Societies of all kinds in reclaiming thousands from drinking, and maintaining a far larger number in habits of sobriety, these societies will be the first to admit that their utmost efforts have not sufficed to stem the advancing tide of intemperance. Matters would no doubt have been far worse had it not been for these efforts; but, looking at the last two years, no one can say that intemperance is on the decline. Accordingly, public opinion has with increased earnestness called for some reform in the laws regulating the sale of liquor. Here we at once encounter perplexities and embarrassments;—not because it is impossible to make

men virtuous by Act of Parliament; for the well-worn saying to that effect, although a truism in one sense, is false in the sense which it is meant to convey. Common sense and experience alike teach us that some laws tend to aggravate vice, and others to diminish it. The difficulty lies in finding out the right kind of Act of Parliament, and, still more, in getting it passed. The wide difference of opinion that prevails as to the proper functions of the Legislature in this matter, the difficulty of devising any measure that does not involve some amount of mischief and danger, the interests of a powerful trade and other causes combine to perplex the path of reform of the liquor laws.

To guide us in judging of what measures are likely to prove beneficial, there can be no more valuable aid than the experience of nations in similar circumstances; and the more closely a country resembles our own in race, climate, and habits, the more valuable will its experience be. The experience of no country is more directly applicable to Scotland than that of Sweden. The Swedes are of the same great family as the English and Lowland Scotch; their climate is severe, and their national taste, still more than that of the Scotch, is for alcohol in its most concentrated form—ardent spirits.

Sweden.

I propose to lay before you some account of legislation in Sweden respecting the sale of liquor, and its results; and, in particular, I shall ask your attention to the public-house system which originated in Gothenburg. I have felt some difficulty as to the amount of knowledge on the subject of which I should assume my hearers to be in possession. Had the lecture taken place a year ago, the subject would have been almost wholly novel. In the last twelve months, the Gothenburg system has been extensively discussed by the press, and a paper has been widely read, written by a gentleman whose long residence in Gothenburg enabled him to give the most thorough information—Mr Carnegie of Stronvar. To go at length into the history of the Gothenburg movement would be merely to repeat what has been better said by Mr Carnegie, and is no doubt familiar to many, if not to most, of those now present. I shall accordingly content myself with such a sketch of the Gothenburg system as will, I hope, without exhausting the patience of those who have already studied the subject, enable those who have no previous acquaintance with it to appreciate some important facts in relation to that system which have occurred since Mr Carnegie's paper was published; and I shall then endeavour to give some account of the mode in which it is proposed to adapt the system to Scotland.

Three different ways of conducting the liquor trade have been tried in Sweden. Till 1855, the country enjoyed what was equivalent to free trade in spirits. Distillation was allowed to every landowner, great and small, on payment of a trifling duty on the still. Every

burgher had the right of selling spirits in quantities large or small, and every person in the kingdom had the right of selling it in quantities of 1 kan (3-5ths gallon) and upwards. The result was, that the country was deluged with spirits, and the Swedes acquired a notoriety for drunkenness above all nations. In 1850, the annual consumption of spirits was calculated to have reached the portentous amount of 10 gals. per head of the population (more than four times that of Scotland at present). Notwithstanding the absence of large towns, the simple agricultural life of the great majority of the population, the wide diffusion of landed property among the peasantry, universal education, and the establishment of a pure religion, the average of crime over all Sweden equalled that of the most depraved cities of Europe. Such were the results of free trade in spirits, fairly tried on a large scale, and for nearly a century.

Results of free trade in spirits in Sweden.

The efforts of temperance reformers at last created a demand for radical reform. An Act was passed by the Diet in 1855, which, with some subsequent modifications, forms the existing law upon the subject. The distinctive features of the new system are, that spirits cannot be sold, except wholesale in quantities of 15 kans and upwards, without a license; the number of licenses required for each town or parish is fixed annually by the Local Authority, the Governor of the Province having power to diminish the number recommended by the Local Authority, but not to increase it; the licenses are put up to auction for a term of three years; and the revenue derived from the sale of licenses is devoted partly to local and partly to more general purposes. The licenses are of two kinds,—public-house licenses, for sale in quantities, large or small, to be consumed either on or off the premises,—and "retail," or, as they are called in this country, "grocers'" licenses, for sale in quantities not less than one half-kan (about 3-10ths imperial gallon), not to be consumed on the premises. No minimum number of licenses is fixed for a district, and thus a Permissive Prohibitory Act, as regards spirits, has stood upon the Statute-book of Sweden for eighteen years. In the country districts, the option to abolish the spirit trade has been largely exercised. Last year, there were only 314 public-houses and 136 spirit-grocers in the whole of Sweden, excluding the towns, for a country population of over $3\frac{1}{2}$ millions, or one spirit-shop to between seven and eight thousand people. Notwithstanding that the rural Swedes avail themselves pretty freely of their visits to the market-towns to indulge in a dram and to lay in a stock of spirits, a most striking improvement has been effected in the country districts; and, as the rural population is seven-eighths of the whole, Sweden has, in place of being the most drunken country in the world, become a comparatively sober country.

Reforms of 1855.

Great improvement in the rural districts.

Improvement effected in towns by the Act of 1855 comparatively small.

Notwithstanding the reform of 1855, drinking continued on an excessive scale in the towns. No town has ever availed itself of the option to abolish the spirit trade. In Gothenburg, the second town in Sweden (population 61,369 at the end of 1873), though some improvement was effected, matters soon grew nearly as bad as before In 1865 the citizens appointed a Committee to investigate the causes of the ever-increasing pauperism of the town, and, if possible, to suggest a remedy. The Committee found, as might be expected, that the immoderate use of spirits was the chief cause of the distress; and further, that the principle on which the spirit traffic was conducted was eminently calculated to promote consumption, for the publicans, who under the auction system, paid very large sums for their licenses (above £100 a-year on an average), were obliged, from self-interest, to make every exertion to increase their sales. The Committee reported that no effectual remedy was possible, unless the trade could be re-organised in such a way THAT NO PROPRIETOR OR MANAGER OF A PUBLIC-HOUSE SHOULD DERIVE ANY PRIVATE GAIN FROM THE SALE OF SPIRITS;—in short, that a system must be devised under which no one could have any interest in promoting drinking. The idea was readily taken up by the citizens, and the Municipal Corporation were asked to take the public-houses into their own hands. This they declined to do, but agreed to the suggestion that the public-house licenses should be placed in the hands of a Company composed of the most respected citizens, who would neither derive any profit from the business themselves, nor allow any person acting under them to do so; and they offered every encouragement for the formation of such a Company. No time was lost in carrying out the plan. A Company (the Utskänknings Bolag) was incorporated, composed of men of the highest position and character. The Company undertakes by its charter, which requires to be renewed every three years, to conduct the public-house business of the town solely in the interests of temperance and morality, and without any view to profit, and to hand over the entire profits to public purposes.

Formation of the Gothenburg "Public-House" Company.

Absence of personal profit in the sale of spirits the leading feature in its administration.

In the contracts between the Company and the managers of the public-houses, the objects of the Company, viz.:—the moral and economical benefit of the working-classes, without any idea of gain, are prominently set forth in the preamble, and the hope is expressed that the manager will, on his part, do all in his power to co-operate towards their attainment. The managers are bound to receive their spirits only from the Company, to sell at a tariff fixed by the Company, and to account to them for their sales. They are further bound to serve customers with hot meals, when called for. They are allowed to sell, on their own account, tea, coffee, soda and seltzer water, and malt liquors. The expediency of allowing the managers to make a profit on malt liquors has been questioned in this country, and probably, if the system were

introduced here, it would be proper that the managers should have no interest in the sale of any intoxicating liquors. In addition to a rent-free house, and the profits on all articles except wine and spirits, the manager in most cases receives a fixed salary.

History of the Company.

The Company commenced operations in October 1865, when the whole number of public-house licenses, 40, then at the disposal of the Town Council, were placed in their hands. Of these they only made use of 23, thus at once suppressing 17 public-houses. As the remaining licenses, which had been sold by auction, fell in, they were handed to the Company; so that, in 1868, they had acquired the whole number, 61, of public-house licenses at the disposal of the town. In addition to the Company's licenses, there are still seven licenses not at the disposal of the Town Council—two being life privileges, and five perpetual licenses granted by former kings to certain hotels and restaurants. These come under the denomination of public-house licenses, but the holders do not carry on a bar business. The grocers' licenses continued to be sold by auction, as to give the entire control of the spirit trade to the Company was then thought too great an infraction of the principles of free trade. In 1865, there were 50 grocers' licenses, which have been gradually reduced to 25. The competition for these licenses is enormous, the average price paid for them being £300 a-year.

Its financial success.

I shall show that the Company have steadily placed moral before financial considerations. But the financial success of the system has been great. The Company have been able to carry on their operations without any paid-up capital. Except in the case of a few life privileges, which were bought up, no compensation required to be paid to existing license holders; their three years were simply allowed to expire. No great sum was needed to fit up the premises in a neat, clean, but unpretending manner. The funds required were obtained by an advance from a bank, which was speedily repaid from the profits of the business. The profits paid over by the Company for public purposes have, since 1868, averaged between £10,000 and £11,000—a sum equal to the entire poor-rates of the town. This large revenue would be no subject of congratulation if it were obtained at the cost of increased drunkenness; but as drunkenness has, on the contrary, greatly diminished, it is a legitimate source of satisfaction to the community of Gothenburg that funds are available for public purposes which, under a system like ours, would merely have swelled the pockets of the publicans.

Its moral success.

For the moral results of the system, let us look at the police convictions for drunkenness. The per centage of convictions to the population was reduced from 6·10 in 1864, the last year of the old system, to 2·50 in 1868. In 1869 and 1870 it remained much the same—2·56 and 2·52. In 1871 it rose to 2·67; and in 1872 to 2·72. This increase of

drunkenness in the last two years is much less than the corresponding increase in some of our large towns during the same period. Not to go beyond Sweden, the same causes operating in Stockholm, where the public-house licenses are still sold by auction, have produced during the last two years an increased per centage of police convictions four times as great as in Gothenburg.

Next, I may refer to the evidence of leading officials, printed as an Appendix to Mr Carnegie's Paper, including the police-master, the governor of the province, the bishop, the members of the Diet for Gothenburg, the chairman of the Board of Health, and the dean, Dr Wieselgren (a total abstainer, and for many years the most distinguished temperance lecturer in Sweden). All these testify to the beneficial change in the habits of the population effected by the new system. They are also very clearly of opinion, that the greater part of the drunkenness which still exists is to be ascribed, not to the Company's public-houses, but to the private spirit grocers;* and that the result would be still more satisfactory if no part of the spirit trade was in private hands. The conviction has been gradually gaining ground in Gothenburg, that the principle which, though incompletely carried out, has produced such excellent results, should be carried out in its entirety, viz.,—that no individual should have any interest in the sale of spirits. Public meetings were held last year at the Working Men's Union (a body consisting of about 2000 members), and elsewhere, and a conference took place between delegates from the Union and the directors of the Company. The result was a petition from the Union, presented to the Diet through the representatives of the city. This interesting document embodies a pretty full narrative of the Company's operations, and shows entire appreciation, by the persons most deeply interested, of the aims and objects of the Company, and their confidence in its administration. The petitioners set forth the great improvement in sobriety which had taken place, and they regret that these benefits cannot be still further extended, in consequence of an Act passed in 1871 (in the supposed interests of the country party, who thought that the towns were taking an unfair share of the profits of the spirit trade), which prevented a Company acquiring the grocers' licenses of a district.† They therefore

The benefits conferred by the new system universally recognised in Sweden.

* The price charged for spirits in the Company's houses is more than half as much again as that charged by the "spirit grocers." It was thought that the restriction imposed upon the latter of not being allowed to sell a less quantity than a half-kan would effectually prevent their carrying on a public-house trade. It is, however, a very common practice for a number of men to club together to buy half a kan at a spirit grocer's, and drink it on the street, or in some convenient corner; and this evasion of the law has been systematically encouraged by the less respectable dealers.

† The origin of this Act was as follows:—By the law of 1855, the proceeds of

pray for such an amendment of the law as, by the repeal of this Act, would allow that class of licenses also to be vested in the Company. And this opinion is shared by all classes in Gothenburg. The Diet appointed a committee to investigate the subject, who reported in favour of the proposed amendment; and, in April last year, after very thorough debates, the Diet, by large majorities, adopted the report of the Committee.* In April 1874, the Town Council of Gothenburg, a body of 50, decided without a division to transfer the grocer licenses to the Company, at the same time reducing the number from 25 to 20, and expressly stated in their resolution that their object in making the transfer is not financial gain, but to promote temperance.

Authoritative recognition of its benefits by the Diet.

Extension of the system.

The policy which the Company has uniformly pursued has been in strict conformity with their charter. They have sought to lead, but not to outrun, public opinion in the direction of restriction. Some persons in this country have blamed them for not still further reducing the number of public-houses; for, although they suppressed seventeen on commencing operations, they have since only suppressed two more. But the relative number of public-houses is in reality greatly diminished, as the population has in the interval increased 28 per cent. Inveterate drinking habits are not cured in a day, or even in eight years, and the business of each shop is still so large, that to reduce the number at present would be to make them unmanageable, and lead to disorder. It must be remembered, too, that the public-houses are not mere dram shops, but eating-houses. The Company has, however, unmistakeably shown that morality and not public profit—private profit being put out of the question—is their primary object. They have recently issued an order, that from seven on Friday evening to seven on Monday morning no spirits are to be sold to any one who does not consume provisions to an equal or greater value; which will greatly reduce the sale of spirits on the most profitable day of the week—Saturday. They have also closed their two shops in the port—a very drinking locality—from five every evening to nine the following morning, and have entirely closed them on Sundays; whereas, by law, they are only obliged to close them during

Policy of the Company to lead, but not to outrun public opinion in the direction of restriction.

the sale of licenses in a burgh was divided in certain proportions between the town treasury and certain rural bodies. In towns where the spirit trade was carried on by a Company after the Gothenburg model, the Company usually paid a fixed sum as for their licenses, which alone was apportioned according to the law of 1855, the surplus profits being entirely appropriated by the town. The country party naturally enough thought that the towns were taking an undue share of the profits of the spirit trade, and were thus induced to support an enactment which secured to the rural bodies their interest in one branch of the trade.

* To secure the ostensible object of the Act of 1871, it was provided that the whole profits of the Companies should be divisible precisely as the proceeds of the sale of licenses.

Divine service, and the result hitherto is said to have been very satisfactory. It is one of the advantages of the system that it enables such experimental regulations to be tried.

The success of the Gothenburg system has not been allowed to pass unchallenged. Some of you may be aware of the unfavourable estimate of it by Ex-Bailie Lewis of Edinburgh, who, along with Messrs Raper and Jones, spent a few days in Gothenburg in June last year for the purpose of observing the public-house system. Mr Lewis, in a lecture given in Edinburgh in July, drew a dark picture of the drunkenness still prevalent, and pointed to the "roaring trade" in the Company's premises, to the still larger sales supposed to be made by the spirit-grocers, and to the numerous convictions for drunkenness which he noticed on a visit to the Police Court, as a proof of the inefficiency of the system. Mr Lewis no doubt stated with perfect accuracy, to the best of his belief, the facts which came under his observation; but his inference that the system has proved a failure, in the face of indisputable statistics, and the evidence of all those on the spot best qualified to speak, must be received with great hesitation. In the first place, he saw Gothenburg at its worst season, just after the annual migration of multitudes of workmen from the country, who return to their homes in winter. This floating population is badly housed, or not housed at all, and severed from home ties, and therefore peculiarly apt to give way to intemperance, especially just after their arrival, when spirits are to them a comparatively unwonted luxury. In the next place, the amount of spirits sold in Gothenburg is still, no doubt, very large, but it would be a great mistake to debit the townsmen with all that is sold in the town. The scarcity of spirit shops in the surrounding province—10 for a population of 170,000—has made Gothenburg a great spirit depôt, to which the rural population resort for their supplies. The sailors at the port take another considerable portion. As to the police convictions, the statistics published by Mr Carnegie, though they exhibit great progress in temperance, certainly show room for improvement. Any one who had read them must have been prepared for seeing on any particular Court-day far too many convictions, especially if, as Mr Lewis did, he visited the Court on a June Monday after a Saturday market. No one contends that Gothenburg is even now a model town as regards temperance, though its citizens are determined to do their best to make it so. The real question is, What is its present state compared with its state before the introduction of the new system? To that there can be but one answer. In spite of peculiarly unfavourable circumstances, in spite of some mistakes incident to a novel experiment, in spite of the fact that the system has hitherto only been applied to one branch of the trade,—statistics and evidence alike show that it has effected a

Unfavourable estimate of the Gothenburg system by Mr Lewis of Edinburgh.

The true question is, What is the present state of Gothenburg, compared with its state before the introduction of the new system?

great amount of good. And it is a most important element in estimating its success, that after seven years trial the Swedish nation have deliberately approved the system, and are resolved to extend it.

A word or two to prevent misconception. Let me briefly point out what the essential principle of the Gothenburg is not, and what it is. It is certainly not the separation of spirits from malt liquors, making a public monopoly of the former and allowing free trade in the latter. Free trade in malt liquors is a mere incident of the system, as carried out in Gothenburg, and one not to be imitated here. Nor does the essence of the system consist in the respectability of the managers, although that is an important and, indeed, a necessary element in its practical administration. I have heard objectors say, "The evil is in "the liquor, not in the salesmen. If we could have our public-houses "managed by angels, it would not diminish drunkenness." My answer is, "Perhaps not; but if we could secure that the angelic managers, or "even human managers, had no interest in their sales, then the experi-"ence of Gothenburg proves beyond doubt that drunkenness would not "be entirely removed—no one pretends that—but be largely diminished."

Before I leave Gothenburg, I may mention a movement there, unconnected with the Company, but indicating the gradual enlightenment of the inhabitants in temperance. It should be mentioned that professed abstainers are comparatively rare in Sweden. The movement to which I refer has sprung up spontaneously among the working men of Gothenburg, and it is rapidly spreading. An agreement is made among the men themselves in the separate workshops to the following effect:—No married man is allowed to enter a public-house. Unmarried men are allowed to go to the public-house twice a day, but only for the purpose of taking their meals; and at each meal they may have a glass of spirits. No restriction is imposed on domestic drinking. If a man chooses to take a bottle home, he is not violating the agreement. You may perhaps smile at this novel kind of Temperance Society, which allows unlimited drinking at home, and to unmarried men a couple of drams a day at the public-house to boot. I do not say that such a society is an ultimate end with which the Gothenburgers should be content; still less should we be content with such a society in this country. But, so far as it goes, it is a clear gain to temperance. Even here, if no married man were to enter a public-house, it would certainly remove much of the misery caused by drunken husbands and fathers, especially if, as in Sweden, the wives never drank.

Temperance movement in Gothenburg.

To return to the public-house system, its success has led to its adoption, more or less completely, in about two-thirds of the towns in Sweden. The Norwegians also are so well satisfied with its results that a law was passed in that country about two years ago to enable the same

Norway.

system to be carried out. It has been in operation in the seaport of Christiansand, among other towns, for about a year and a half, and the results appear to be very satisfactory. It has also been adopted in Helsingfors in Finland.

PART II.

Recognition of the importance of the essential principle of the Gothenburg system, even by those who aim at the total prohibition of the sale of liquor.

ALTHOUGH Gothenburg was the first place in which the system of allowing the liquor seller no interest in the amount of his sales has been tried on a large scale, the same system has been adopted in several instances by landed proprietors in this country. One instance is mentioned by Dr F. R. Lees in the Sequel to his Essay to which the United Kingdom Alliance's First Prize was awarded. I quote it for the sake of Dr Lees' remarks. I need scarcely remind you that Dr Lees is an abstainer and prohibitionist of the strictest order, one not likely to view with favour any system which tolerates the use of alcoholic liquors; nevertheless, he says:—"Lady Noel Byron has "suppressed all drinking houses on her property at Kirkby Mallory, "Leicestershire, save one. That was let under stringent restrictions "to a publican, but manifest mischief still followed, and her ladyship "at last took the inn into her own hands, appointing a respectable "person to conduct it at a fixed salary, so that profits might not induce "the seller to wink at drunkenness, or to drive as near to the precipice "as may be. She had a pretty homily hoisted by way of inscription "over the door of the 'Wentworth Arms,' which the reader who passes "that way may read for himself—

> 'May he who has little to spend, spend nothing in drink;
> May he who has more than enough, keep it for better uses;
> May he who goes to rest, never remain to riot;
> And he who fears God elsewhere, never forget Him here.'

"A great and striking improvement has followed both as to property "and people; yet Mr Noel, her ladyship's steward, assures us that "things are not completely satisfactory. Still, as a first instalment, "the Alliance would accept most willingly an arrangement like this, "which should convert the publican into a mere agent, and make the "State absolute landlord, with power of instant dismissal. Then, but "not before, the seller might find conscience and courage to say to "thirsty souls—Hold, enough!"

This is precisely the modification of the Gothenburg system, which its advocates wish to introduce into this country, only, instead of the

State, they substitute the Local Authority of the district. It is convenient to be able to refer to this modification of the system without a long circumlocation, and I shall accordingly refer to it as the "Local "Control System." Local control of the sale of spirits.

It is an interesting fact that the importance of the principle, that the liquor seller should have no interest in the amount of his sales, was recognised some years before it was heard of in Gothenburg by the framers of Sir Wilfred Lawson's Bill. My information is taken from an article on "The Alcoholic Controversy" in *Fraser's Magazine* for September 1868, which has been reprinted by the United Kingdom Alliance, and should be read by all who wish to have a correct idea of the aims and principles of the Alliance. The framers of the Permissive Bill, I believe, contemplated that in the districts where the liquor traffic was abolished, it might still be necessary that alcoholic liquors should be accessible for medical purposes. How was this to be done? To allow every chemist to sell as much of that kind of medicine as he pleased would be to re-establish the liquor trade in the worst possible form. Accordingly for that, and perhaps other purposes, the Bill in its original draught contained clauses to regulate the sale of liquor by public agents. It soon appeared that opponents would get great advantage by attacking this then novel system, instead of defending that which existed; hence these clauses were cut away. The framers of that Bill were no doubt well advised, for a constructive measure is much more vulnerable than a simply destructive one. The writer in *Fraser's Magazine* proceeds to point out that the United Kingdom Alliance, when they speak of prohibition, "do not mean prohibition of "the *use*, nor prohibition of the *sale*, but only prohibition of the *traffic*. "Traffic is necessarily for the gain of a private trader, who cannot take "cognisance of public morality. *Sale* may be carried on by the State, "centrally or locally, which would not seek to gain, would have no "motive to adulterate nor to enlarge the quantity sold, while it is "solemnly bound to study the public morality." I ask your special attention to these words. The essence and principle of the Gothenburg system could not be better described, although the writer does not seem to have been aware of its existence. He then predicts that the question of State administration of the sale of liquor will, before long, come into great prominence.

Earl Grey's proposals in 1871.

The next attempt in this direction was made in 1871 by Earl Grey, who proposed some clauses to be added to the English Licensing Bill of that year, to enable the Local Authority to take the retail trade in intoxicating liquors into its own hands.

Last session a Bill for Scotland, founded to a large extent on the Gothenburg system, and not unlike Earl Grey's proposal for England,

was brought into the House of Commons by Sir Robert Anstruther, Sir Graham Montgomery, Sir David Wedderburn, Mr Dalrymple, and Mr Fordyce. The growth of public opinion on the subject is significantly reflected in the *Times*. In noticing Earl Grey's "extraordinary "proposal," as it characterised it, to abolish the whole race of publicans, it declared it to be for the present "evidently Utopian," but added that "the vision of to-day is the scheme of to-morrow, and the fact of the "day after; and in this age, when the Government works the Post "Office and the Telegraph, and is implored by advanced philanthropists "to take the railways into its own hands, no one can say that the idea "may not some day be realised." In an article on the 3rd December last, the *Times* has so far matured its opinion that it thinks it would be very desirable that Sir Robert Anstruther's Bill should be passed, in order to give the nation the benefit of an experiment by some enterprising town.

Spirituous Liquors (Scotland) Bill.

The Bill is entitled the "Spirituous Liquors (Scotland) Bill, for "placing the sale of spirits in Scotland under Local Control." It was read a first time near the close of last session, not with any view of being pressed further during that session, but in order to bring the proposal in a definite shape before the public, so as to elicit opinion.

The object of the Bill met with general approval from the press and otherwise, but it became evident that some of its provisions would encounter determined hostility in opposite quarters. After careful deliberation, those favourable to the introduction of the Gothenburg System, or some modification of it, considered that it would be expedient to remodel the Bill, so as to gain the support of all friends of temperance reform. For this object it was necessary to sacrifice much of the completeness and symmetry of the Bill; but experience has abundantly shown that it is better policy to present a comparatively small measure of reform, the expediency of which is generally admitted, than to attempt ambitious legislation, which is sure to cause great difference of opinion. As it now stands, the purpose of the Bill is two-fold—First, To carry out certain reforms almost unanimously desired; and Secondly, To enable communities gradually to adopt, if they choose, a modification of the Gothenburg System. The two purposes are in entire harmony —the first being a step towards the second, as well as in any other direction of reform that may commend itself to the nation.

Bill consists of two parts—the first suspensory, the second adoptive.

The Bill consists of two parts—the first suspensory, and the second adoptive. The first or suspensory part will come into operation on the passing of the Act. The principal provisions are briefly these—

Suspensory provisions.

No *new* certificate for a license for the sale of spirits to be consumed on the premises (except in special cases where new hotels or inns may be thought necessary for the requirements of new traffic) to be granted,

(1.) In towns until the number is reduced to one in (say) 700 of the population.

(2.) In rural districts, in respect of premises situated within two miles of any other licensed premises.

All reasonable persons, even those who are strongly opposed to anything like prohibition, are agreed that at present, particularly in towns, public-houses are usually far too numerous. The excessive number is productive of mischief in more than one direction; it multiplies temptation in the way of those inclined to drinking; and, as I shall afterwards show, it is a fruitful source of adulteration. No one can say that one licensed house to every 700 of the population is not an ample proportion. In the Swedish towns, where the Gothenburg system has been adopted, one in 1500 or 2000 has been found sufficient.

No *new* certificate will be granted to grocers for the sale of spirits. The system of licensing certain grocers to sell spirits is unfair to the unlicensed trader, and has been found in many instances productive of much demoralisation, to which, by the way, the publicans bear strong testimony. The gradual extinction of this system, without hardship to existing interests, will therefore be hailed with satisfaction. Meanwhile, the restriction at present in force in England, that a grocer shall not sell less than a quart bottle of spirits at a time—a restriction to which no respectable grocer will object—will be extended to Scotland. There is nothing in the Bill to prevent wine merchants and spirit dealers, who are not also *grocers*, from applying for new licenses to sell not less than a quart bottle of spirits not to be drunk on the premises, so that there will be no necessity to go to the public-house for a bottle of spirits.

Adoptive provisions.

The second or adoptive part of the Bill will only come into operation on the vote of the burgh or rural parish. On a requisition from a certain number of the ratepayers, a ballot will be taken as to whether the Act shall be adopted. In districts containing less than 5000 inhabitants the resolution may be determined in public meeting, subject to a poll, if demanded.

The persons entitled to vote are the School Board constituency, which includes women householders, who are certain to throw their weight into the scale of temperance; and, to save expense, the vote may be taken at the same time as the School Board election. If the vote is in favour of its adoption, the Local Authority—*i.e.*, the Town Council in burghs and the Parochial Board in rural parishes—are empowered and required to carry out its provisions. In order to secure the services of men of public spirit and business habits, the Local Authority are required to nominate a Board consisting of a certain number of members of their own body, and an equal number, save one, outside that

body. This will, in a great measure, obviate the objection that Town Councils have not time for any additional work.

The Board may acquire *by agreement* the business and plant of existing holders of licences, and open premises for the sale of liquors, managed by their own servants, WHOSE REMUNERATION SHALL IN NO DEGREE DEPEND ON THE AMOUNT OF INTOXICATING LIQUORS SOLD BY THEM. The total number of houses for the sale of spirituous liquors on the premises, including the houses belonging to the Board, is not to exceed the number as above limited, but the Board may acquire licenses in substitution of those existing at the adoption of the Act. The Board will have power to borrow money on the security of their property and income.

In the Bill of last Session it was proposed, to enable the Board when constituted, on the adoption of the Act, to acquire at once the business and plant of existing license-holders of public-houses by *compulsory purchase*. This has been abandoned in the present Bill, and therefore it has not been thought necessary to retain the power of levying any rate, as additional security for the reduced loans required under a system of voluntary purchase. The experience of Gothenburg, with its nett income of £11,000 a-year from its public-houses, without any capital or loan except temporary advances from a bank—proves that when no large loan for compensation is required, the income of the public-houses established by the Board will be ample security to enable what is necessary to be borrowed without a rate. Mr Carnegie, for one, is not afraid to back his opinion on this point. At a recent conference in Dundee, he said that he would lend to Dundee or to any other town of equal importance which should be the first to adopt the Act, £10,000 upon their own terms, and without any security from a rate.

It will thus be seen that to effect the desired reduction in the number of public-houses and the gradual substitution by the Board of houses under its own management, the present Bill, in place of compulsory purchase, relies on the diminution and gradual extinction of the present licenses, by the suspensory clause. The process of substituting the new system for that now existing will thus be a slow one—but it is possible that the object may be eventually attained, especially in large towns, sooner than if more ambitious legislation were attempted. In districts of small population, local public spirit and philanthropy will, it is hoped, be exerted to expedite the extinction of the old and the introduction of the new system.

The Board will provide or supplement the amount of public-house accommodation which they, representing the public opinion of the district, deem sufficient; they may adopt shorter hours for keeping open

the public-houses than the present, but not longer; and the profits of the business, after payment of working expenses and interest of capital borrowed, are to be applied—two-thirds in extinction of the principal of the debt, and the other one-third handed over to the Local Authority for public purposes; and, on the extinction of the debt, two-thirds will be paid to the Local Authority, and one-third to the imperial exchequer. The part retained by the Local Authority will be available for "providing places and means of public recreation, sanitary and town improvements, public parks, or other objects approved by them."

Free trade in liquor.

There are two extreme positions which a community can assume in regard to the sale of liquor, absolute free trade or absolute prohibition; to allow every one to sell or to allow no one. The first has certainly the merit of being a consistent and impartial system, but no reasonable man would think seriously of proposing that we should resort to it in Scotland. The system had a fair trial in Sweden for nearly a century, and no more frightful curse to the country could be imagined. It must be remembered, too, that Sweden was otherwise in a condition more favourable to order and virtue than this country is at present. The vast majority of the people were engaged in healthy agricultural pursuits, and, to a large extent, the soil was owned by its cultivators; yet the amount of crime was equal to that of the most depraved cities. When we reflect that the rural districts of Scotland furnish an insignificant fraction of the crime of the country, we may form some idea of the concentration of evil which free trade in liquor would bring upon our crowded centres of population.

Prohibition.

We may, then, dismiss the first alternative with horror. With regard to the other—absolute prohibition—I need only say that, looking to the division on Sir Wilfred Lawson's Bill last May, and to the recent elections, the people of the United Kingdom are not yet ripe even for permissive prohibition. We are therefore shut up to the result that, for a long time to come at all events, the sale of liquor must be recognised, but it must not be free to every one. If, then, the privilege of sale is to be allowed to some persons, but not to all, the favoured persons must be selected according to some reasonable principle. Our present system is one so utterly anomalous, that nothing but great success would justify it. The monopoly of selling liquor is not only a very lucrative one, the profits being larger and more rapidly turned over than in any other trade, but it has another desirable peculiarity. Hardly any special training or education is required for it. Almost any one could keep a public-house. Once obtained, the privilege is practically for life, and indeed is often transmitted to the publican's representatives after his death. No wonder that the most strenuous efforts are made to secure

The present system of licensing anomalous in principle and unsatisfactory in its results.

the privilege of selling liquor, and that the utmost pressure is brought to bear upon the licensing authorities by the candidates. It may be true that publicans do not often make large fortunes, but there are two reasons to account for that. Many of them yield to the temptation of consuming their own stock, and thus lose the small amount of business qualifications required for the trade. Secondly, although the trade is a monopoly, the competition among the monopolists is very keen. But it is a competition that does not benefit the public in the slightest degree. It does not secure pure liquor, as is sometimes plausibly argued.

Competition no security for purity of liquor, but the reverse.

Competition in an article of which the consumer is a bad judge is one of the main causes of adulteration. Public-houses are often so numerous in a district that, large as the profits are, the amount of sales by each publican would not suffice to give him what he thinks a sufficient income, if he did not increase his gains by adulteration. Then comes in the fact, that there is no article of which the consumer is such a bad judge as liquor. Indeed, the larger the consumer the worse the judge. There are persons who positively like an admixture of vitriol or aqua-fortis in their whisky. There is a well-known story—I am not sure whether I have got the correct version—but it sufficiently illustrates the point. A drover came to a public-house and asked for whisky. By inadvertence the publican served him with a glass of aqua-fortis, diluted, we must suppose, which he used as an ingredient in his whisky. The drover tossed it off, and went out. The publican, on discovering his mistake, concluded that he had killed the man, and was in a state of horrible alarm; but was reassured by the same man coming back some time after, and asking for a glass of the same stuff. On being told that it was aqua-fortis: "Aqua-fortis or aqua-vitæ," he exclaimed; "it is all the same!" The evils of adulteration can hardly be exaggerated. Abstainers think so badly of the purest liquor, that they are apt to think lightly of adulteration. But it cannot be disputed that a large fraction, though it is impossible to say how large, of the drunkenness, sickness, and crime of this country is produced—not by the liquor, but by the pernicious substances with which the more disreputable dealers adulterate it. Some say that we should not seek to remove adulteration, because the worse the liquor the less will be drunk. The argument, even if well founded, is immoral. The State is bound to see that everything that is allowed to be sold at all, however undesirable its use may be, is at least what it professes to be. We must not allow people to be poisoned, in the hope of making them abstainers. But it is more than questionable whether, if purity of liquor were secured, more would be drunk, for it is notorious that the drugs with which it is often adulterated create an artificial craving for more liquor.

Evils of adulteration.

Our present licensing system is, then, in the first place, an unfair one; because under it certain individuals, selected not for merit or on any other intelligible principle, get all the profits of the liquor trade, while the community has to bear all the burdens. In the second place, it works ill in practice, for the selected individuals, over whom the community has no real and effective control, strive to push their trade to the utmost, and are under a strong temptation to adulterate in order to increase their gains.

If the liquor trade is to be carried on by individuals, can any other principle of selection be devised? None, except the Swedish plan of putting up the licenses to auction. This does away with all favouritism, and it has this perfectly legitimate advantage, that it compels the liquor sellers to share their profits with the community. But in other respects, the system would be no improvement on our present system. There would be the same, or if possible, still greater desire on the part of the publicans to push their trade, and the same temptation to adulterate. Here, again, we have the example of Sweden to guide us. The auction system has been tried for eighteen years in many towns there, and the results have not been such as ought to make us very desirous to introduce the system into this country.

Auction system.

If, then, the sale of liquor is to remain to any extent, there remains but one alternative, viz.:—that, in some form or other, its administration and its profits should be taken by the community in its corporate capacity into its own hands.

Some persons have a great dislike to the idea of the community carrying on the liquor traffic, or, to speak more correctly, the sale of liquor. It is said that the Local Control System is a direct recognition of liquor. No doubt it is, to a certain extent. But can the community, by any means short of absolute prohibition, show the dangerous and exceptional character of the article more forcibly than by declaring that no private person is to be trusted with the sale? It is quite true that, under the Local Control System, the community is brought face to face with its responsibility for the manner in which the sale of liquor is carried on. But, instead of being a disadvantage, that is one of the great recommendations of the system. For it is an unfortunate peculiarity of our present licensing system, which throws dust in the eyes of many good men, that the community does not *seem* to be responsible for the way in which the liquor trade is conducted. But, by delegating the function of liquor selling to individuals, it does not escape responsibility. He who acts by another acts by himself. It cannot be too much insisted on that, by abandoning proper control over the liquor sellers, the community does not quit itself of responsibility, but simply increases the evils for which it is responsible.

Answers to persons who have conscientious objections to the community carrying on the sale of spirits.

The question is not between liquor and no liquor. It is between the present system under which the publican is, so to speak, tenant of the community with a large amount of fixity of tenure, and a system under which he would be the servant of the community, liable to instant dismissal, and with no interest in his sales.

Recapitulation of advantages to be derived from the substitution of the Local Control System for the present licensing system.

In conclusion, let me shortly state the advantages which may reasonably be expected to flow from the substitution of Local Control for the present system. In the first place, it would enable a vast reduction in the number of public-houses to be effected, and it is not easy to see how this could be effected by any other means. Parliament is evidently determined that existing license holders shall not be deprived of their licenses without compensation, and the Local Control System is the only one which provides a fund, out of which compensation can be paid. In the second place, the amount of public-house accommodation can be always exactly adjusted to the state of public opinion, and every step in the education of the people towards temperance would be marked by a corresponding reduction in the public-houses. In the third place, the public-houses would be far better conducted. It is inconceivable that the community, who know that they must pay many times over in poor-rates and police-rates, for every penny of profit they make by stimulating or allowing drunkenness, should be so ready to manufacture drunkards, as private persons, who keep the whole gains of drinking to themselves, and share the burdens with the community. And further, the interests of seller and buyer being identical, there would be no temptation to adulterate. But suppose that the Local Boards act on no higher considerations than to make a revenue, a most unlikely thing, with the great body of temperance opinion which would be brought to bear upon them—and that the public-houses are as bad as at present—still the introduction of the Local Control System must be favourable to the interests of temperance, and that for two reasons. A board conducting the whole liquor trade of a town, and acting merely on financial motives, would work the system in the most economical manner, which would be by concentrating the trade in as few houses as possible, whereas no such motive can possibly actuate a man who holds a single license. Again the introduction of the Local Control System would in time get rid of that vast array of vested interests which now stand in the way of all reforms.

Another argument for placing the sale of spirits in the hands of public Boards is to be found in the repeated complaints made in the organs of the publicans, that the agitation and obloquy cast upon the trade by the teetotallers prevents respectable persons from entering it. This agitation is not likely to deminish, so that the coming race of

publicans will be inferior in character, and of a lower stamp than the existing ones. The more necessary then will it be, if spirits are to be sold at all, to take the trade out of the hands of individuals altogether, and substitute the respectable servants of a Board.

The advocates of the Local Control System must not be held as maintaining that their system is better than having no liquor at all. They would not say to a town of abstainers, "Give up abstinence; "try regulated liquor shops." But they say this, that as long as the sale of liquor exists, their system is proved both by reason and experience to be the best way of administrating it. Moreover, where it is adopted and carried out with tolerable efficiency, it will prepare the way for further reforms, both by sweeping away vested interests, and by educating public opinion in the direction of temperance. We have seen that the Gothenburg Company has been able to carry out reforms in 1873, which it would probably have been hopeless to have attempted in 1865. He has a poor opinion of his countrymen who thinks that in Scotland we should not find men to fill the public-house boards as able and high principled as the directors of the Gothenburg Company, as honest and respectable men to conduct the public-houses as are found in Gothenburg, and as healthy a body of public opinion to ensure that the system is worked in the interests of temperance. On these grounds the Local Control System is worthy of the support of all friends of temperance, by whatever name they may be called, who are desirous of arriving at some practicable result, in reducing, as far as any legislation obtainable in our day can reduce them, the terrible evils of drunkenness.

APPENDIX.

In the First Edition an attempt was made to discuss the question of compensation to existing license-holders for non-renewal of their licenses. That question was of vital importance in treating of a Bill which gave the Boards compulsory powers to buy up the business and plant of public-houses. As the Bill stands, compensation will be a matter of private bargain. A portion of the paragraph as it stood in the First Edition is here given :—

I am aware that any proposal to give compensation to existing license-holders, in respect of non-renewal of their licenses, is looked upon with the greatest aversion in some quarters—a feeling with which I can quite sympathise, both upon legal and moral grounds. But, quite apart from this particular Bill, the question of compensation is one which must be faced. Any effectual reform of our licensing system must begin with a very large reduction in the number of public-houses. What, then, is to be done with those publicans whose licenses are suppressed? The answer to this depends very much on what we consider to be the nature of the publicans' tenure. Let us see precisely what our system is in theory and in practice. Our forefathers, recognising the exceptional character of the liquor traffic, applied to it a very peculiar system, which still subsists in form. The sale of liquor is made a monopoly, but the law carefully lays down that the privilege can only be granted for one year. Subject to this qualification, the selection of the persons who are to enjoy the privilege is left to the absolute discretion of certain officials. They may grant the privilege to whom they like, to as many or as few as they like, and without assigning any reason whatever. And the fact that a person has enjoyed the privilege for one or more years gives him no claim to a renewal of the privilege. His certificate bears to be for a year, and a year only. As has been remarked, "Any landlord who lets a shop in these terms would cer-
"tainly have the right, after due warning, to eject his tenant at
"the end of the year without compensation; and it would be hard
"if the community should be found to have sold itself to the pub-
"licans, when it had guarded itself against that very danger by the
"use of the clearest terms which the skill of lawyers could invent."
In theory no system admits more readily of reform. The licensing

authority has but to speak the word, and every license ceases. In theory, at the end of any year we can have a *tabula rasa*, on which we may construct any new system. But an element has been allowed to insinuate itself, which makes the system utterly different in practice from what it is in theory, and that is *custom*. In spite of the most explicit declaration that the contract between the public and the publican shall endure for a year only, the publican practically enjoys a large amount of *fixity of tenure*. By long use and wont he has been led to expect a renewal of his certificate, if no offence is proved against him. I appeal to every magistrate to say if it is not the case that it is found impossible in practice to refuse to renew a certificate, where no overt act can be proved against the holder. In short, the case is analogous to that of the Irish yearly tenant. His right was strictly yearly, yet he thought himself very hardly used if the contract between him and his landlord was allowed to terminate without a large sum paid to him simply for goodwill; and Parliament at last found itself obliged to make matter of legal right what formerly was dependent on custom. The publican has not, indeed, formally achieved this last step; but even Radical reformers—men who have no superstitious regard for vested interests—have stated their conviction that no large measure of reduction will be accepted by Parliament which does not recognise, in some shape or other, the publican's claim to compensation. Perhaps the most practical test whether compensation must be paid is to be found in the experience of railway companies, improvement trusts, and other bodies empowered to take property by compulsory sale. It often happens that an improvement trust requires the site of a public-house. Such trusts have repeatedly paid very large sums to the tenants of public-houses for loss of business; two years profits is, I believe, quite a usual thing. In fact, a publican generally gets a larger amount of compensation than any other tradesman doing an equal business. I cannot but regard this as a most unfortunate precedent, but it forcibly shows the great strength of the public-house interest and the fixity of tenure which they have acquired.

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